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**CITY OF REFUGE, INC.**  
**FINANCIAL STATEMENTS**  
**Year Ended October 31, 2004**

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 4/13/05

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# REBOWE & COMPANY

CERTIFIED PUBLIC ACCOUNTANTS  
CONSULTANTS

A PROFESSIONAL CORPORATION

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## ACCOUNTANT'S COMPILATION REPORT

Board of Directors of  
**City of Refuge, Inc.**  
Kenner, Louisiana 70062

We have compiled the accompanying statement of financial position of City of Refuge, Inc. (a nonprofit "Organization") as of October 31, 2004, and the related statements of activities, functional expenses, and cash flows for the year then ended, in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants.

A compilation is limited to presenting in the form of financial statements information that is the representation of management. We have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or any other form of assurance on them.

*Rebowe & Company*

February 25, 2005

## **FINANCIAL STATEMENTS**

**CITY OF REFUGE, INC.**  
**STATEMENT OF FINANCIAL POSITION**  
**October 31, 2004**

**ASSETS**

Current Assets:	
Cash and cash equivalents	\$     41,611
Total Current Assets	<u>41,611</u>
Investments	<u>41,648</u>
Property and Equipment:	
Land	32,331
Equipment	<u>15,674</u>
	48,005
Less: accumulated depreciation	<u>(12,961)</u>
Total Property and Equipment	<u>35,044</u>
Total Assets	<u><u>\$     118,303</u></u>

**LIABILITIES AND NET ASSETS**

Net Assets:	
Unrestricted	\$     116,793
Temporarily restricted	<u>1,510</u>
Total Net Assets	<u>118,303</u>
Total Liabilities and Net Assets	<u><u>\$     118,303</u></u>

See accompanying notes and accountant's report.

**CITY OF REFUGE, INC.**  
**STATEMENT OF ACTIVITIES**  
**For the Year Ended October 31, 2004**

Unrestricted Net Assets:	
Revenue and Support:	
Program Revenue	\$ 36,739
Investment Return	<u>1,450</u>
Total Unrestricted Revenue	38,189
Net assets released from restrictions:	
Restrictions satisfied by payments	<u>79,034</u>
Total Unrestricted Revenue and Support	<u>117,223</u>
Expenses:	
Program Services	107,602
Management and General	<u>7,183</u>
Total Expenses	<u>114,785</u>
Increase in unrestricted net assets	<u>2,438</u>
Temporarily Restricted Net Assets:	
State Treasury Funding - Act 13	49,615
Federal Financial Assistance	30,929
Net assets released from restrictions:	
Restrictions satisfied by payments	<u>(79,034)</u>
Increase in temporarily restricted net assets	<u>1,510</u>
INCREASE IN NET ASSETS	3,948
NET ASSETS, Beginning of the Year	<u>114,355</u>
NET ASSETS, End of Year	<u><u>\$ 118,303</u></u>

See accompanying notes and accountant's report.

**CITY OF REFUGE, INC.**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**For the Year Ended October 31, 2004**

	Program Services	Supporting Services Management and General	Total Expenses
Payroll Expense	\$ 43,078	\$ 4,786	\$ 47,864
Grant Expense	43,158	-	43,158
Utilities	9,493	1,055	10,548
Mortgage Interest	277	-	277
Depreciation Expense	1,715	190	1,905
Bank Charges and Fees	-	466	466
Supplies	1,448	-	1,448
Program Operating Expense - Other	578	-	578
Building Maintenance	899	-	899
Festival Fees	1,811	-	1,811
Equipment Rental	238	-	238
Travel	983	-	983
Dues & Subscriptions	-	250	250
Miscellaneous Expense	3,924	436	4,360
	<u>\$ 107,602</u>	<u>\$ 7,183</u>	<u>\$ 114,785</u>
Total Expenses	<u>\$ 107,602</u>	<u>\$ 7,183</u>	<u>\$ 114,785</u>

See accompanying notes and accountant's report.

**CITY OF REFUGE, INC.**  
**STATEMENT OF CASH FLOWS**  
**For the Year Ended October 31, 2004**

Cash Flows From Operating Activities:	
Increase in net assets	\$ 3,948
Adjustments to reconcile increase in net assets to cash used in operating activities:	
Depreciation	1,905
Unrealized gain on investment	(1,450)
Increase (decrease) in operating liabilities:	
Payroll taxes payable	<u>(6,857)</u>
Net Cash Used in Operating Activities	<u>(2,454)</u>
Cash Flows From Investing Activities:	
Purchase of investments	<u>(5,725)</u>
Net Cash Used in Investing Activities	<u>(5,725)</u>
Cash Flows From Financing Activities:	
Payments on mortgage payable	<u>(10,684)</u>
Net Cash Used in Financing Activities	<u>(10,684)</u>
NET DECREASE IN CASH	(18,863)
CASH AND CASH EQUIVALENTS - Beginning of Year	<u>60,474</u>
CASH AND CASH EQUIVALENTS - End of Year	<u><u>\$ 41,611</u></u>

See accompanying notes and accountant's report.



**CITY OF REFUGE, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**October 31, 2004**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Nature of Activities**

City of Refuge, Inc. (the "Organization") is a non-profit organization providing assistance and counseling to the community for drug and alcohol prevention programs, teen pregnancy prevention programs, welfare to work programs, and other educational programs that promote the general welfare of the community. The organization is located in Kenner, Louisiana.

**Basis of Accounting**

The financial statements of the Organization have been prepared on the accrual basis.

**Basis of Presentation**

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board in its Statement of Financial Accounting Standards (SFAS) No. 117, *Financial Statements of Not-for-Profit Organizations*. Under SFAS No. 117, the Organization is required to report information regarding its financial position and activities according to three classes of net assets; unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

**Cash and Cash Equivalents**

For purposes of the statement of cash flows, the Organization considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents.

**Property and Equipment**

The Organization capitalizes all expenditures for property and equipment in excess of \$100. Property and equipment is recorded at cost or, if donated, at the approximate fair value at the date of donation. Depreciation is computed using a straight-line method over the estimated useful lives of the assets.

**Investments**

Under SFAS No. 124, *Accounting for Certain Investments Held by Not-for-Profit Organizations*, investments in marketable securities with readily determinable fair values and all investments in debt securities are reported at their fair values in the statement of financial position. Unrealized gains and losses are included in the change in net assets. Investment income and gains restricted by a donor are reported as increases in unrestricted net assets if the restrictions are met (either by passage of time or by use) in the reporting period in which the income and gains are recognized.

**CITY OF REFUGE, INC.**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**October 31, 2004**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Contributions**

All Contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Amounts received that are designated for future periods or restricted by the donor for specific purposes are reported as temporarily restricted or permanently restricted support that increases those net assets classes. When a temporary restriction expires, temporarily restricted net assets are classified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

**Income Taxes**

The Organization is exempt from federal income tax under section 501(c)(3) of the Internal Revenue Code.

**Use of Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of support, revenue and expenses during the reporting period. Actual results could differ from those estimates.

**NOTE 2 - INVESTMENTS**

Investments as of October 31, 2004 are stated at fair value and consist of a fixed interest account offered through a deferred annuity contract, as follows:

	<u>Cost</u>	<u>Fair Value</u>
Fixed Interest Account (Deferred Annuity Contract)	<u>\$38,725</u>	<u>\$41,648</u>

The investments are not covered by federal depository insurance. The cash surrender value of the contract approximated \$39,000 at October 31, 2004.

The following schedule summarizes the investment return and its classification in the statement of activities for the fiscal year ended October 31, 2004:

	<u>Unrestricted</u>
Unrealized gain	<u>\$1,450</u>

**CITY OF REFUGE, INC.**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**October 31, 2004**

**NOTE 3 - FUNCTIONAL ALLOCATIONS OF EXPENSES**

The costs of providing the various programs and other activities have been summarized on a functional basis in the Statement of Activities. Accordingly, certain costs have been allocated among the program and supporting services benefited.